

Note: this is **NOT a prediction of where the price of gold will go**. I am only using past historical price movements as a guide for an average **expectation**. Markets are based on humans' subjective valuation of exchange so conditions could alter people's conception of value.

See next page.

	1971	1975	1976	1980	1980	1981
Price	\$42	200	100	800	463	727
Change		376.0%	-50.0%	700.0%	-42.0%	57.0%

	1982	1983	1985	1988	1993	1996
Price	295	514	291	502	326	417
Change	-59.5%	74.2%	-43.0%	72.5%	-35.0%	28.0%

	1999	1999	2001	2008	2009	2011
Price	252	325	250	1040	700	1923
Change	-39.6%	29.0%	-23.0%	316.0%	-32.6%	174.0%

Historical Price Ranges

Since gold to US dollar link broken in 1971 by President Nixon

Price Declines	
9 Observations	8 less worst
-41% avg.	-38%

	2014	2017?	2019?
Price	1130	1782	3500
Change	-41.0%	62%	

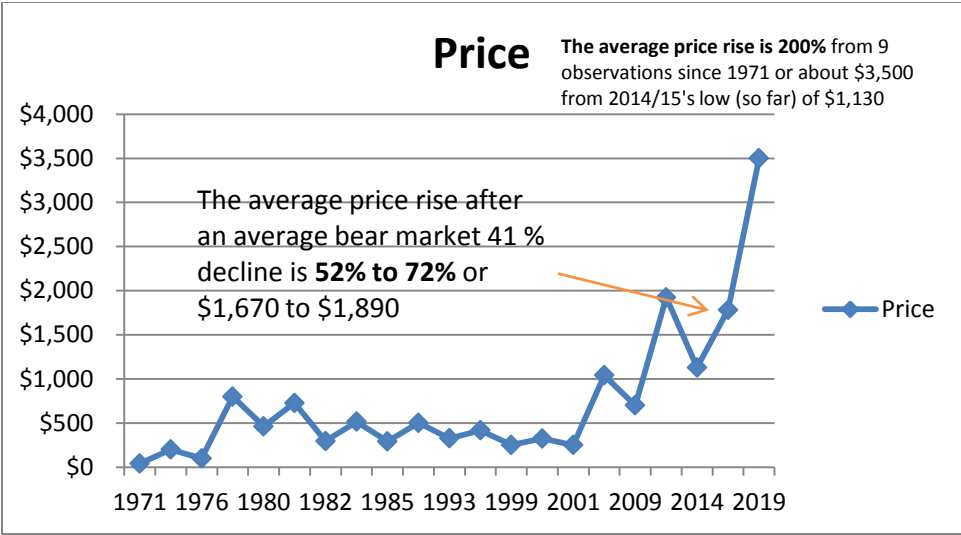
Price Rise	3 extremes X	2011 rise X
9 observations	6	5
203% avg.	72% avg.	52% avg.



This chart shows the exact bottom of the 1980 to 1999 bear market. Traders heavily shorted gold expecting the Fed to raise rates similar to today.

The typical analyst is universally BEARISH <http://thedailygold.com/video-update-final-breakdown-begins/>

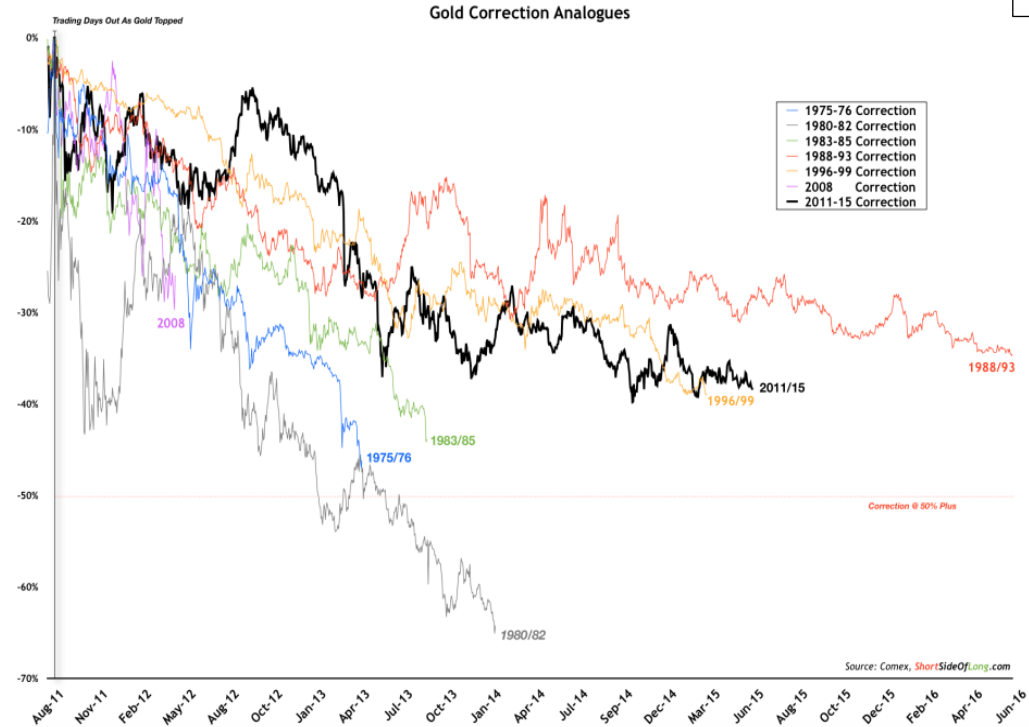
Many analysts FOLLOW price trends, they don't anticipate reversion to the mean.



The problem with using a \$3,500 price target is using **the 1971 to 1980 price increase of 1,800%**. Gold moved from a fixed, suppressed price into a mania/bubble. If we exclude that period then a 100% increase is the average bull market or (currently) \$2,000 to \$2,400.

Interestingly, majors need about a \$1,800 to \$2,000 price based on current conditions to explore for the *marginal* ounce of gold.

\$2,000 seems like a stretch from the bottom of the gulch, but history can provide signposts.



Already the second longest bear market in history since 1971 next to the 1988/93 bear which was shallower. **The 1980/82 price decline was the severest at 60% to 65% lower after the biggest bull market in gold's history.** Real rates were high during the 1980s as inflation expectations were quashed by a determined Volcker Fed.

Now we have central banks **trying to stave off debt deflation.**

